

HOUSE BILL REPORT

HB 3237

As Passed House:
February 13, 2006

Title: An act relating to a review of the department of natural resources' aquatic program.

Brief Description: Reviewing the funding and management of state aquatic lands.

Sponsors: By Representatives Hunter, Eickmeyer, Simpson, Grant, Linville, Hankins and Jarrett.

Brief History:

Committee Activity:

Natural Resources, Ecology & Parks: 2/2/06 [DP].

Floor Activity:

Passed House: 2/13/06, 95-1.

Brief Summary of Bill

- Directs the Joint Legislative Audit and Review Committee to conduct a performance audit of the Department of Natural Resources' Aquatics Resources Program.

HOUSE COMMITTEE ON NATURAL RESOURCES, ECOLOGY & PARKS

Majority Report: Do pass. Signed by 11 members: Representatives B. Sullivan, Chair; Upthegrove, Vice Chair; Buck, Ranking Minority Member; Kretz, Assistant Ranking Minority Member; Blake, Chandler, Dickerson, Eickmeyer, Hunt, Kagi and Orcutt.

Staff: Jeff Olsen (786-7157).

Background:

The Legislature created the Department of Natural Resources (DNR) in 1957 and granted it the responsibility for managing the state's aquatic lands for the benefit of the public. The DNR manages over two million acres of tidelands, shorelands, and bedlands. This includes the beds of all navigable rivers and lakes, along with the beds below the Puget Sound.

The management of aquatic lands must support a balance of goals, including the encouragement of public access, the fostering of water-dependent uses, the utilization of renewable resources, and the generation of revenue. Revenues generated from the state's aquatic lands are used to support the Aquatic Resources Program and are also used for public benefits, such as shoreline access, environmental protection, and recreational opportunities.

Depending on the source of the revenues, moneys received from aquatic lands are deposited in the Aquatic Land Enhancement Account (ALEA) and the Resource Management Cost Account (RMCA). According to the 2005 Annual Report published by the DNR, approximately 58 percent of the moneys generated from aquatic lands were deposited in the ALEA, and 42 percent were deposited in the RMCA. The total revenues collected in 2005 for both accounts totaled \$18.4 million, with \$10.7 million deposited in the ALEA and \$7.7 million deposited in the RMCA.

Summary of Bill:

The Joint Legislative Audit and Review Committee (JLARC) must conduct a performance audit of the DNR's Aquatic Resources Program (Program) to determine the success of the DNR in meeting the objectives established in statute for managing aquatic lands. The JLARC must also review management policies to determine if decisions to generate revenues to support the Program are consistent with policies established in statute. In conducting the review, the JLARC must also review the percentage of revenues retained by the DNR from the RMCA and the ALEA for the Program to determine if the percentages are appropriate to support the Program. The JLARC must also make recommendations on whether the use of other revenues, such as the State General Fund, would provide a better funding mechanism for the management of state-owned aquatic lands. The final performance audit and recommendations must be completed by December 15, 2007.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: The Program is meeting statutory objectives, established by the Legislature in 1984, to balance stewardship, public access, and water dependent uses. There is no conflict of interest for the DNR, and the Program is able to achieve these statutory objectives while generating revenues to support the program.

The DNR manages a range of aquatic lands, and the conflict of interest between revenue generation and program objectives may affect their behavior. The JLARC is the appropriate agency to review the DNR's program and funding to determine if program objectives are being achieved.

Testimony Against: None.

Persons Testifying: Representative Hunter, prime sponsor; and Fran McNair, Department of Natural Resources.

Persons Signed In To Testify But Not Testifying: None.